G. R. S. 58]

Previous references.
B 19-13 Ho: 39-40 & 51-2
B 12-14 " 7

1914-15.

(Banking)

File No. 12-14

Serial Nos. 13 (a)

Later references.
S. Fe. 58-15 Sh 4 and 5,
" B. 7 Feby 1916.
S. Fe. 58-15 Sh 6 and 7, B. April
34-16 (1, 2, 3, 4, 6 & 7)

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 13(a)

Part B for April, 1915

SUBJECT.

Report of Mr. Shamanna, Asst. H. Secretary, and Govt. Auditor of the Mysore Bank, on the exam.n of the Accounts of the Bank [redacted] for the half-year ending 31st December, 1914.

Proposal: Submission of the Report on the Examination of the Accounts of the Bank & Mysore for the half-year ending 31st December, 1914.

H. order: File.

GPB—10,000—28-3-15

M. Shuddhappa
D 18/3/1915

G.R.S. 11] 1914-15

GENERAL AND REVENUE SECRETARIAT.

(Banking

NOTES.

File No. 12

FILE HEADING.

Bank of Mysore Ld.

From

The Comptroller

No. 5759 / B & Q 992 Dated 3-1-15 Received 3-2-15.

Diary No. 3099 | Enclos. 2 Spare Copies. | Serial No. 136

BRIEF ABSTRACT OF LETTER.

Forwards for information report of Mr S. Srinivasa, Asst Inst Insp & Govt Auditor Mysore Bank on the examn of the accts of the Bank for the half year ending 31st Dec

NOTES AND ORDERS.

A printed copy of the report & balance sheet on the working of the Bank for half year ending 31 st Dec 1914 is also sent

9/2 [illegible] 2 Please put up file regarding the previous half months' Balance

NOTES—First Sheet.

General and Revenue Secretariat. | B File No. 12 of 1914

Serial No.

Sheet and the Correspondence relating to the enhanced provision for Reserve Fund in the last balance sheet

hg 9/2

3 Reports obtained from the Directors & Auditors.

Last year there was some Correspondence about Govt limiting the portion of profits that could be utilised for declaring dividends. These papers are put up. The Bank strongly resented Govt. interference in such matters. The present report may perhaps be filed after perusal as Govt cannot affect or interfere with the discretion of the Directors (or Shareholders) in the division of profits

Reserve)

hg 23/2

5 What are all the conditions on which Govt help has been given to the Bank and have they been observed in the half year under report?

General and Revenue Secretariat.

B File No/2 of 1914.

Serial No.

Flag Y.

The Concession granted to the Bank, and the conditions of its working are found in G.O. of 12-3
The conditions are as follows
(1). To invest 50% of loanable Capital in the Mysore State. It is stated in the Audit Report that almost all the 'loan' transactions are in the State and this condition is fulfilled

(2). To appoint a banking Expert as Manager with approval of Govt. - is also satisfied as Mr Rose's appointment was approved by Govt

(3) To ~~arrange for an audit of~~ submit its accounts for audit by a person appointed by Govt. This is also satisfied

(4) To appoint as President of the Board of Directors, a gentleman approved by Govt. Mr Puttannachetty's appointment as such is stated to have been approved by Govt.

(5) To publish accounts in the Gazette - This is also complied with.

(6) Not to ~~to~~ Engage in dealings with foreign Exchanges - This is also satisfied.

(7). Not to ~~secure~~ lend moneys on the security of immoveable property - This also technically observed as every loan

GPB—25,000—2-14-14

Serial No.

Securities by a bill or promissory note at least. ~~in addition~~

(8) To give due consideration to the advice of Govt.

8 As the conditions may thus be seen to have been observed

Reserve) 26/2

9 The Govt Auditors report is sent for perusal.

The working of the Bank during the half under report was satisfactory

I do not think any objection can be raised to the dividend at 6 allowed out of the net profit. A larger addition to the reserve fund is desirable but the expectation of shareholders for a fair dividend can not also be disappointed and the rate of 6 p.c. can not be considered too high.

Mule
28.2.15
Mr

Dewan)

U Leen)

27.4.15.

U Rule
Mr 27/4

Rec.—Gl. 17]

.....Department.

19/5.

FROM

J. S. CHAKRAVARTI, ESQ., M. A.,
F. R. A. S., ETC.,
Comptroller to the Govt. of
H. H. the Maharaja of Mysore.

To

.....Esq.,

Secretary to the Govt. of Mysore.

Genl. & Rev. .....Dept.

Dated

Despatched 4- 2-15

Received

No. 5757 / 882 E2

Subject matter.

Forwarding Auditor's
Report on Mysore Bank

Gl. 17]

It is requested that in future communications on the subject, the No. and date of this letter, and the distinguishing letters below the number as given opposite, may be quoted and addressed to the Comptroller, Mysore Government window dilivery No. 6, Bangalore.

No. 5759 - OFFICE OF THE COMPTROLLER, MYSORE GOVERNMENT,

Dated Bangalore, the 3rd January *1915*.

Enclosures :- 2

FROM

M.N.Krishna Rao Esq., B.A.,

~~JXXSXXGHXXXKRXXXXXRTIXEsqXXXXXX~~

~~XXRXXXSXXEXCX~~,

Offg: *Comptroller to the Government of His Highness the Maharaja of Mysore.*

To

.....D.....M.....Narasinga.....R.....a.....o.....Esq., B.A., B.L.,

Offg:*Secretary to the Government of Mysore,*

.General...and....Revenue.....*Departments*.

SIR,

I have the honor to forward herewith for information the Report of Mr. S. Shamanna, Assistant Financial Secretary, and Government Auditor of the Mysore Bank, on the examination of the Accounts of the Bank for the half-year ending 31st December 1914.

I have the honor to be,

Sir,

Your most obedient servant,

M.N.Krishna Rao

Offg: Comptroller.

SAM.

REPORT OF THE DIRECTORS

THE BANK OF MYSORE, LIMITED,

TO BE PRESENTED TO THE SHAREHOLDERS AT THE

SECOND ANNUAL GENERAL MEETING

TO BE HELD AT

THE REGISTERED OFFICES OF THE BANK IN BANGALORE CITY,

THURSDAY, 4th FEBRUARY, 1915,

AT 4 P.M. PRECISELY.

The Directors have pleasure in submitting to the Shareholders the Balance Sheet : Profit and Loss Statement of the Bank as at 31st December 1914.

The working of the Bank for the past twelve months has resulted in a surplu Rs. 76,353-6-0, of which Rs. 31,092-6-4 represents the profit for the first six months of year, and Rs. 45,260-15-8 for the latter half.

	Rs.	a.	p.
An interim Dividend at the rate of 4 per cent per annum was paid for the half year ended 30th June 1914 which absorbed ...	16,552	14	0
The Directors have placed to Reserve Fund Account, invested in 3½ per cent India Government Paper of the face value of Rs. 13,700	12,500	0	0
To close Preliminary Expenses Account	1,651	15	1
The Directors now propose to make a further distribution of dividend at the rate of 6 per cent per annum for the second half year making 5 per cent for the year and absorbing about ...	30,000	0	0
A further addition to Reserve Fund making Rs. 25,000 for the year	12,500	0	0
To Contingency Fund	2,500	0	0
To Bonus to the Indian staff of half a month's salary... ...	350	0	0
To be carried forward to next account	298	8	11
Total ...	76,353	6	0

The operations of the Bank for the second half of the year have been greatly interfe with by the War, but in spite of its calamitious effects on trade and the public mind, working Capital of the Bank has increased by 22 lakhs during the year, and the profits ear during the latter half year are 46 per cent in excess of the profits for the first six months.

This being the first year of the Bank's working when business had to be organized, conducted under circumstances of an unfavourable nature, the Directors venture to th that the results will be deemed satisfactory by the Shareholders.

It will be observed from the Balance Sheet that the proportion of Cash and Investm to deposits of all kinds is 56 per cent, a position which fully reflects the prevailing dulnes trade in the State.

The Bank's Accounts have been audited by Messrs. Fraser & Ross, Chartered Account of Madras, and by Mr. S. Shamanna, Assistant Comptroller, on behalf of the Governm of Mysore.

Mr. Singri Nanjappa and Mr. D. Banumiah, two Directors who retire on this occa in accordance with the Articles of Association are eligible, and offer themselves for re-elect

The Auditors Messrs. Fraser & Ross also retire, and offer themselves for re-appointm

The Dividend will be payable on and after Monday 15th February 1915.

By Order of the Board,

W. C. ROSE,

Mana

THE BANK OF MYSORE, LIMITED,
Avenue Road, Bangalore City.
21st January 1915.

N.B.—Should you be unable to attend the meeting, or any adjournment thereof, please sig enclosed Proxy Paper, which must be lodged at the Bank forty time fixed for the meeting.

LIABILITIES.

			Rs.	A.	P.	Rs.	A.	P.
Capital—								
Authorised 20,000 shares of Rs. 100 each			20,00,000	0	0			
Subscribed 20,000 shares of Rs. 100 each on which Rs. 50 per share has been called up			10,00,000	0	0			
Less unpaid calls			3,405	0	0			
						9,96,595	0	0
Deposits—								
Mysore Government Deposits			8,77,550	0	0			
Fixed deposits			10,30,624	14	3			
Savings Bank and Prudential deposits			50,186	15	4			
Current and other accounts			3,08,167	6	6			
						22,66,529	4	1
Unclaimed Dividends						853	1	0
Reserve Fund						12,500	0	0
Profit and Loss Account—								
Balance as per last Balance Sheet			31,092	6	4			
Less transferred to Preliminary expenses	1,651	15 1						
,, ,, Reserve Fund	12,500	0 0						
,, ,, Dividend account	16,552	14 0						
			30,704	13	1			
Balance ...			387	9	3			
Add—Profit for half year to date			45,260	15	8			
						45,648	8	11
						Rs. 33,22,125	14	0

K. P. PUTTANNA CHETTY,
B. K. GARUDACHAR,
M. CHENGIAH CHETTY,
B. P. ANNASAWMI MUDALIAR,
} *Directors.*

REPORT OF THE AUDITORS TO THE S

We have examined and compared the above Balance Sheet of the Bank of Mysore, Limited, with the books properly drawn up so as to exhibit a true and correct view of the Company's affairs according to the best of our ir and explanations we have required. We have verified the correctness of the Cash Balances, examined the Securities

We further certify that the above Balance Sheet is drawn in conformity with the provisions of the Mysore (

BANGALORE, *7th January 1915.*

PROFIT AND LOSS ACCOUNT FOR SI

EXPENDITURE.

	Rs.	A.	P.
To Establishment Account	11,382	15	0
,, Agencies Commission	4,807	9	8
,, Directors and Auditors Fees	1,491	2	0
,, Office Rent	1,005	9	2
,, Stationery	1,491	3	1
,, Depreciation on Furniture	517	10	10
,, Advertisements and Printing	566	12	0
,, Postage and Stamps	873	3	2
,, Brokerage, Telegrams and other miscellaneous expenses	1,701	13	10
,, Balance carried to balance sheet	45,260	15	8

/SORE, LIMITED.

DECEMBER, 1914.

ASSETS.

	Rs.	A.	P.	Rs.	A.	P.
Cash and Investments—						
Cash on hand	1,59,490	9	10			
Cash with other Banks	4,31,562	6	5			
Cash at Agencies	839	15	5			
Cash at Mysore Government Treasuries	2,30,939	9	2			
On Fixed Deposit with Eastern Bank, Ltd., Bombay ...	2,54,777	7	0			
Cash at short call at Mysore Government Treasuries ...	1,58,275	0	0			
Rs. 24,500 India Government 3½ per cent Paper ...	22,533	2	1			
Rs. 2,000 Mysore Government 4 per cent Loan	2,000	0	0			
				12,60,418	1	11
Loans, Cash Credits and Overdrafts—						
Debts considered good for which the Bank holds bills or other securities	16,88,445	1	1			
Debts considered good for which the Bank holds no security being temporary overdrafts	25,428	0	3			
Debts considered good due by Directors or firms in which they are partners	38,389	10	1			
				17,52,262	11	5
Bills Discounted—						
On account of public	2,48,868	10	0			
On account of a firm in which a Director is a partner ...	43,150	0	0			
				2,92,018	10	0
Bank Property, Office Furniture, and Safes				12,965	5	0
Books and Stationery				4,461	1	8
				Rs. 33,22,125	14	0

W. C. ROSE, *Manager.*

ERS OF THE BANK OF MYSORE, LIMITED.

nd vouchers relating thereto as at 31st December 1914, and certify that in our opinion it is a full and fair Balance Sheet and the explanations given to us and as shown by the books of the Company. We have obtained all the information t Loans and Accounts of credit and the Bank's Investments.
Regulation, 1895.

FRASER & ROSS, *Chartered Accountants.* } *Auditors.*

)NTHS ENDING 31ST DECEMBER, 1914.

RECEIPTS.

	Rs.	A.	P.
By Interest, Commission, Discount, and Exchange, after allowing for rebate on Bills not matured and Interest to Depositors	64,098	14	5
By Government contribution (received)	5,000	0	0
	Rs. 69,098	14	5

:he Bank of Mysore, Limited.

REPORT AND BALANCE SHEET
FOR PRESENTATION

TO THE

Second Annual General Meeting
holders to be held on Thurs
4th February, 1915.

NOTICE IS HEREBY GIVEN, that the SECOND ANNUAL GENERAL EETING of the Shareholders of the Bank of ysore, Limited, will be held on *Thursday,* *4th February, 1915, at 4 p.m.*, at the gistered office of the Bank—Avenue Road, ngalore City—for the transaction of the lowing business :—

(i) To receive the Report of the Direc-s and Statement of Accounts up to the st December 1914, and to sanction the claration of a dividend for the year 1914.

(ii) To elect 2 Directors in place of those tiring.

(iii) To consider and sanction the proposal pay a bonus to the Indian staff of the nk.

(iv) To elect Auditors for the ensuing ar and fix their remuneration.

(v) To transact any other business o' dinary General Meeting.

By Order of the Board,
W. C. ROSE,
Manager

AVENUE ROAD,
ANGALORE CITY,
1st January 1915.

Government Press, Bangalore- -1915.

Report on the Examinati
of the Accounts of the
Lyspore Bank for the
half year ending 31.12.19

As per orders I went to L
Lyspore Bank from the
1st to the 6th instant
and examined the Accou
for the half year along
with Mr Ross of Messrs
Fraser & Ross Chartered Accou
-ants.

A printed Copy of the
Balance Sheet and the
Profit and Loss Account fo
the period is put up. I have
verified with the Books
the Bank and found t
agree. The Cash balance an
investments were examine
as also the securities held
against loans, Cash Credits &
The Bank's Godowns contain

articles against which money had been advanced were also visited. All the information required for purposes of audit was furnished by the Manager and the published balance sheet corrects represents the position of the Bank as on 31.12.14.

Almost the whole of the Bank's loan transactions are with people residing in the Mysore State and the C&M Station so that the condition that at least 50 per cent of the Bank's available funds should be invested in Mysore may be regarded as ~~Substantially~~ Satisfied.

The working expenses during the half-year amounted to more than 10,000 Rs Entitling the Bank to the maximum Government Contribution of Rs 5,000 for the half year.

During the half year a net profit of 45,268-15-8 has been realised, and the balance carried forward The Directors propose to utilise

in the following manner

(1) Dividend at 6% absorbs 30.

(2) Do. Reserve Fund 12,500

(3) Do Contingency Fund 2,500

(4) Bonus to Indian Staff of half months Salary 350

The remark made in my last half years report that it were would have been more prudent to refrain from declaring a dividend at this early stage and carry all the available profits to the credit of the 'Reserve Fund' has again to be repeated. It is of the utmost importance to create a strong reserve fund and it is regretted that more was not set aside for this purpose this half year.

Out of a profit of $ 31,092-6-
-first half year
the Directors have appropriated 12,500 ~~lossa~~ for the Reserve Fund, while they have not thought fit to appropriate a larger amount this half year although the profits were nearly 50% more

J. Shannon

25.1.15